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U.S. Federal Security Agency

Making the most of your money

[Washington]

1945

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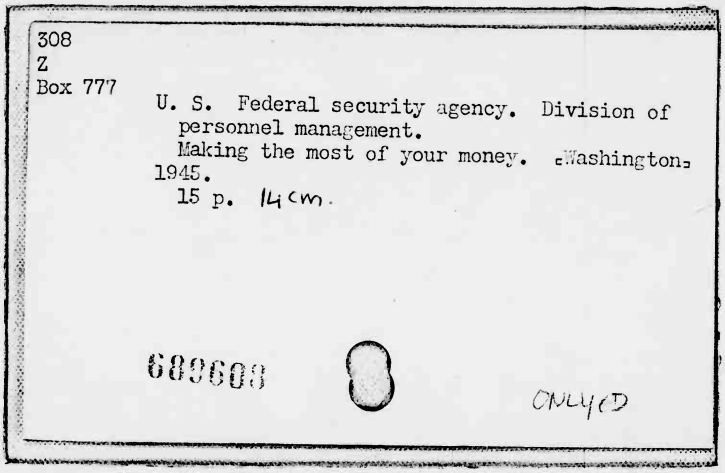

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MAKING THE MOST OF YOUR MONEY

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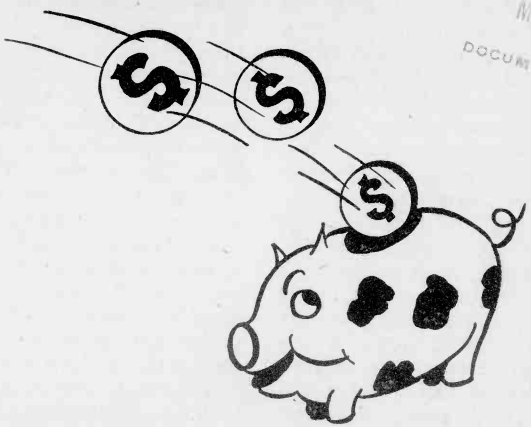

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FEDERAL SECURITY AGENCY — DIVISION OF PERSONNEL MANAGEMENT
JANUARY 1945

Before We Begin

We have written this booklet for you and for any other Federal Security Agency girl who is interested in telling her money where to go instead of wondering where it went. In trying to get a mental picture of you, we have imagined that you are young and unattached as yet (though probably with big plans for the future). With this picture in mind, we consulted girls in the Federal Security Agency who fitted that description and asked them to tell us how they managed their annual salaries of $1,260, $1,440, and $1,620 plus overtime. We find they agree with us that a careful spending plan gives their money a two-way stretch so that they are actually able to have more things that they want in life, and yet never run into the sad situation of discovering that giddy purchases early in the pay period have left only a few pennies to feed a large appetite. They feel that careful spending involves budgeting, but that this can be fun rather than drudgery; it is patriotic, too, because it helps people to save at a time when every dollar tucked away staves off inflation.

Picking and Choosing

Each person has his own goals, and the things you want most out of life may be very different from those desired by others. Since very few people ever have enough money to satisfy all their wishes, the way you spend your money is a matter of choosing the things that will be most important to ***you.*** Because we feel that there is no ***one*** right way to budget your expenses, we have indicated a rather wide range on almost every item that is discussed in the following pages. You may go near the top of the range for the things which mean most to you, and then balance these by smaller amounts for the items which are not so important to you. If you spent at the top of the range on all items, you would be "in the red." At the bottom of the range it is possible to have a well-balanced diet, suitable clothes, and comfortable living quarters. If you stuck to the minimum on all items, you could save, in addition to war bonds and retirement, from $154.08 for the $1,260 salary to $458.16 for the $1,620 salary, but there would be no frills and you would probably lead a rather dull existence.

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Planning Your Expenditures

Your first step in figuring how to get the most use and satisfaction out of your money is to estimate your income and probable expenses for a certain period and then make a plan for maintaining a balance between them. Be sure that you base your figures on the amount you actually receive after money has been taken out for retirement and withholding tax and for any voluntary deductions that you make for war bonds. In thinking of your expenditures it is wise to consider them from a long-range point of view, since you will have some items such as medical bills, vacation, or educational fees, which may occur only once a year, or perhaps only once in several years. Your plan should take into consideration all the things you want to spend for and not just basic items like room and board, clothing, transportation, recreation, etc. Another thing you will want to remember is that with the exception of pay periods during that short month, February, you will need to allow 15 or 16 days to a pay period and not just 2 weeks. In other words, there are 26 two-week periods in a year but only 24 pay days.

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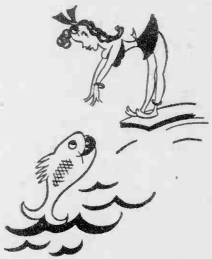
Look Before You Leap



Before putting your plan into action it is wise to make a study of expenses for a month or longer to see just what you are doing with your money. Often hindsight is smarter than foresight, and by analysing where your money went you discover that you have more ways of using it than you realized.

Keeping a list of daily expenses is the first step. The items you use are an individual matter and should be tailored to fit your particular situation. Items often used are Room and Meals, Transportation, Clothing, Clothing Upkeep, Personal, Medical and Dental, Recreation, Vacation, and Miscellaneous. You may want to lump some of these together

or you may want to break them down further. The important thing is to have a means of classifying your expenses so that you can study them. If you find that you are tossing too many kinds of expenses into the capacious lap of "Miscellaneous," that particular heading could be separated into specific items. Many budgeteers suggest that the most convenient way to keep track of expenses is to carry a small notebook and put down expenditures the minute they occur. Then they can be entered on a form (see Personal Expense Record, page 15) at the end of a week or a pay-roll period.

If you set down your expenses for a short time, you may be pleased to find that they are less than you expected, but remember that some of your annual expenses may not have come up in this particular period. A budget that is really going to be helpful must include expenses that come up only occasionally, such as the purchase of a suitcase or a winter coat.

In the next section we will discuss the cost of the different items that were mentioned above. Because there are more Federal Security Agency employees in Washington than in any other city, we have based our figures on Washington 1944 living costs, but the budgeting principles will apply regardless of where you are. If the cost of living is considerably lower in the city where you work, that will mean more money can go into savings. If some items, such as transportation or food are higher, and others such as rent are lower, a little juggling will bring your budget into line. For the benefit of the many Baltimore employees of the Agency we will point out certain differences in facilities available in that city as opposed to Washington.

Room and Meals

One of the most economical ways to live in most cities is to room and board. In Washington you can usually get two meals on weekdays and breakfast on Sundays, plus a room shared with one or two other girls, for from $20 to $25 a pay period. In addition you will need to allow about $7.50 a pay period for buying your dinner on Sundays and your lunches each day. This will bring your total expenses for room and meals to from $27.50 to $32.50

per pay period. In Baltimore most boarding houses furnish a packed lunch to take to work in addition to two meals on weekdays and breakfast on Sundays, which means that the total expense for room and meals is usually somewhat less than in Washington.

A second way to live is to have a single room without meals, which will cost you from $12.50 to $18 a half month depending on location and other factors. Eating all of your meals in restaurants or in Government cafeterias will come to from $18 to $20 for a pay period (this means $1.20 to $1.35 a day) if you have an adequate balanced diet. This plan of living will come to a total of from $30.50 to $38 a pay period.

Still another possibility is for one or more girls to share an apartment with the idea of cutting down expenses. It can be done, but remember that in addition to food and rent there are bound to be other expenses involved which you and your friends may not think of in your first enthusiasm over the idea of setting up housekeeping. Also keep in mind that maintaining an apartment requires an extra expenditure of time and energy, both of which are precious these days. Apartments are hard to find in Washington, and usually even the less expensive unfurnished ones rent for about $60 a month including utilities. Furnished apartments are even more difficult to find, and you will probably have to pay at least $75 a month for one. In Baltimore, on the other hand, furnished apartments are more easily obtained, and they are generally lower in cost than those in Washington.

After you have budgeted for three meals a day don't feel that the matter is settled. Getting the right kind of food is just as important as getting enough food. So choose your foods wisely to get the most for your money. Remember, the LESS you have to spend, the MORE you need to know.

In case you want to review the rules that are the basis of good nutrition[1] and that healthy "cover girl" look, here they are.

Milk to drink or in foods

An adult needs at least two glasses of milk a day. Two or three dishes made with milk—cream soup, ice cream—equal one glass of milk.

[1] Material on nutrition prepared by the Nutrition Education Section of Employees' Health Service, U. S. Public Health Service.

Fruits and Vegetables	Treat yourself to four sizeable helpings of fruits and vegetables each day. Make one serving a green or yellow fruit or vegetable; one serving orange, grapefruit or tomatoes; the other two servings, any fruits or vegetables you fancy.
Eggs	If you can't manage an egg a day, eat three or more a week. Eggs in cooked dishes help.
Meat, Fish, Cheese, Fowl	Help yourself to one or more servings of meat, cheese, fish or fowl each day. Dishes made of dried beans, peas, peanuts or soybeans may be substituted several times a week.
Cereals and Breads	Serve yourself two helpings of whole grain or enriched bread or cereals each day. You can get your quota by eating a bowl of oatmeal for breakfast and several slices of whole wheat bread at the other meals.
Butter, Fortified Margarine	Use two or more tablespoons of butter or fortified margarine a day.
Other Foods	If you're still hungry, eat more of the same or other foods.

Tips for the Thrifty

If the Government cafeteria near you serves complete meals, you can usually save money by eating your dinner there at noon and possibly your breakfast also.

Don't expect to hit on all cylinders unless you start off with a good breakfast.

Coffee and doughnuts are no breakfast bargain. You get little food value for your money.

One solution of the milk problem is to buy a pint for one of your meals in the cafeteria.

One inexpensive way to get your quota of fruit is to keep some in your room.

Transportation

Your transportation costs will vary considerably depending on the distance travelled and whether

commutation rates can be secured. You may be lucky enough to live within walking distance of your job. In Washington you will need to allow $1.25 a week for a bus and streetcar pass, or $2.75 a pay period, since there are usually 15 or 16 days in this period. Another plan for transportation might include joining a car pool to bring you to and from your job and then buying streetcar and bus tokens at three for 25 cents for other trips. This may cost more or less than a streetcar pass, depending upon your particular car pool arrangements. In Baltimore the public transportation cost is a flat rate of 10 cents anywhere within the city limits.

Clothing

Buying your clothes on a budget can be an exciting game and one that will bring you dividends in feeling that you are well dressed and at the same time are saving money. The first step in planning this part of your budget is to take inventory of the clothes that you now have and then decide what you will need in the course of the next year or so to keep your clothes at your working-and-living-in-war standard. As we have already emphasized, only you can determine what your standard is, since it will necessarily be an individual one. Perhaps you can make a list of all the clothes that you think you will need in the next year or two and then compare this with the list of what you have at present. Even if you start work with a fairly complete wardrobe, you will need to consider replacements on a long range basis. Take the problem of getting a winter coat, for example. You should estimate the probable cost and how soon you will have to buy one. If you need one in 2 years and expect to pay about $50 for it, you will have to set aside $25 of your annual clothing allowance specifically for that, or it will be necessary to limit your other clothing purchases in the year that you buy your coat. We suggest as a range on clothing costs from $6 to $12 per pay day or $144 to $288 a year.

Clothes of durable fabrics with simple lines make the best buys because they wear longer and do not quickly look out-of-date as faddish dresses often do. It is also sensible to wear clothes that are becoming to you rather than because they are "the latest thing," especially since "the latest thing" is apt to

be the type that will be smart for only one season. Another point is to build your wardrobe around one basic color scheme carried into several accessories. Using one color scheme with several harmonizing colors will make it possible for you to create many more combinations of outfits than you could if you used two different color schemes which simply do not go together, such as bright green and pale blue.

Clothing Upkeep

During the war you have probably found through necessity that clothes can be made to last longer if they are kept in good condition. Mending, removal of stains, dry cleaning, careful hanging, pressing, and fighting moths are all means of preserving the life and looks of your clothes.

Wearing clothes that you can launder yourself in the summer will help to keep the cost of clothing upkeep within bounds. In buying clothes which need dry cleaning, try to select colors which will not show soil after only three or four wearings. Money can be saved by making some of your clothes and remodelling others. In this connection you might want to look into the possibility of taking courses in dressmaking and design.

You hardly need to be urged to care for your shoes, since rationing is enough to make you treat them with loving solicitude. In addition to prompt shoe repairs and frequent polishing, faithful use of shoetrees will prolong the days of your precious footgear.

Altogether you will probably need from $1.25 to $1.75 a pay day for clothing upkeep.

Personal

Under this item you would put permanents, cosmetics, manicuring equipment, and any other things of a personal nature that would not fall under other topics. If your ideas on make-up are simple, and you are blessed with naturally wavy hair, you may get along on as little as 75¢ a pay day, or $18 a year. On the other hand, if you go in for permanents, or

beauty parlors before a party, you'll probably spend around $2.50 a pay day, or $60 a year.

Medical and Dental

Expenses for medical and dental care are hard to gauge because they are so closely related to your individual health. We estimate that if your teeth are in fairly good condition and you do not have any severe illness, your medical and dental costs will run from $42 to $54 a year, or $1.75 to $2.25 a pay day. The minimum cost is based on individual membership in a Blue Cross plan, $7.80 (Group Hospitalization cost in Washington—65 cents a month); doctor, $15; dentist, $15; and medicine, $4.20.

If there is a health room in your part of the Agency, full use of it will help you in keeping your medical expenses at a minimum. Don't wait until you have a full-blown case of something or other before tottering in to see the nurse. She can give you simple remedies for minor conditions. If you need the care of a private physician, the nurse will tell you how to get in touch with one or refer you to a clinic where care at a moderate rate can be secured. Should you require hospital care, group hospitalization insurance is a guarantee of keeping expenses at a low figure.

In Washington you can provide for your medical care in advance by joining the Group Health Association, Inc., a Federal employee medical cooperative. By becoming a member of this prepayment plan and paying $2.25 a month, you can receive medical, surgical, optical, and hospital care, but no dental attention. Many cities in the country have similar groups offering prepayment medical care.

If you are injured while at work, report to your supervisor if possible and then secure first-aid treatment in your health room or wherever emergency care is provided for you. Don't neglect an injury even if it seems slight, because serious complications sometimes result from just such neglect. If further treatment is needed for an injury in line of duty, this will be arranged without expense to you. The nurse or your supervisor can give you information on the subject.

Recreation

How much does it cost to have fun? It obviously depends on what your idea of fun is, and recreation as a budget item may vary widely with the individual. Then, too, types of recreation available are very different from city to city. No matter where you are, however, you can get together with your friends if you want to, and make your own recreation. It may require more effort than it would if it were all arranged for you, but it will be tailor-made to suit your particular tastes, and when you are low in funds, you can take hikes, play cards, or "just talk" without even needing to open your pocketbook.

In Washington, as in many other cities, it is entirely possible to have all sorts of recreation either free or at an unbelievably low cost. Every week there are good concerts and lectures open to the public without charge. There are free dances to attend, and through the District of Columbia Recreation Department you can take part in many sports at no cost to you. The YWCA's have many activities which are free, and you can enjoy all the "goings on" at a USO club for an average charge of 25 cents a month. The Washington churches have innumerable recreational and social activities, and there are fine public libraries where you can get magazines and books. In Baltimore there are free dances to attend, and the Department of Public Recreation offers opportunities to take part in many sports without charge. The churches of Baltimore also offer many social activities, and at the Baltimore libraries you can borrow phonograph records as well as magazines and books. Your employee counselor can give you further details about any of the things we have mentioned and many more too. By reading the newspaper and checking announcements posted on bulletin boards in your building you can keep track of current activities.

Of course, there are plenty of recreational activities that do cost more than a trifling amount, such as plays, operas, movies, bowling, horseback riding, and golf. However, taking into account all the possibilities, you will find that from $1.25 to $1.75 a pay period or $30 to $42 a year will keep you in recreation and amusement.

Vacation

A vacation is an important type of recreation, and yet it is being suggested as a separate budget item, since you will probably want to save money for it on a regular basis. Vacations that don't involve too much travel are desirable during the war because of limited time and crowded transportation facilities. If you're a Washington employee, perhaps you would like to plan the kind of vacation "in town" that you would have enjoyed had you come here as a tourist, or you might like a week at a nearby mountain or ocean resort. Don't forget the possibility of an American Youth Hostels bicycling or hiking trip. If you are a Washington or Baltimore employee and don't know much about vacation spots in the vicinity, your employee counselor can furnish you with information. You will probably find that $1 to $2.50 a pay period, or $24 to $60 annually, will finance a pleasant vacation week. Should you decide to go home to see the folks despite travel limitations, you may need to allow more for your vacation, especially if they live at a great distance.

Miscellaneous

From the amount that you will have left after you have budgeted for regular expenses, you can consider such things as writing paper and stamps, Christmas and other gifts, contributions, school courses, etc. Rather than have all these under Miscellaneous you may prefer to make some of them regular budget items.

Savings

With a weather eye to the future you will certainly want to be tucking a little money away. Sometimes you may feel that you are not saving a cent, but don't forget that retirement and war bond deductions should be counted as savings. In addition to these means of saving, you will want to set aside a small amount each pay day to go into a re-

serve fund for those emergencies which have a way of coming to us all, sooner or later. After you figure your living expenses, you might decide how much you can put into this savings reserve and then begin to think of it as a regular deduction. One to two dollars a pay period will probably be a good starter for your "Reserve Fund." If you have trouble working out a reserve fund, "piggy bank" savings are not to be scorned. Many people do their saving by putting every penny and dime that comes their way into their bank each night—and you can take our word for it, the sum mounts up in short order.

Following Your Budget

When you have figured out your budget and know how much you can allow for each item during the pay period, you will want to devise a system for keeping track of your money in order to test your plan. Your first step will be to put your savings and vacation money and perhaps some of your health and clothing money into a bank, credit union, or similar safe spot. Then, after paying for some items such as room and board, you can apportion the remainder and put the various sums into small labeled envelopes or special parts of your pocketbook, so that you can know how much you are spending on specific things. Remember that your budget is flexible and can be revised as needed. You will find, as time goes on, that you can streamline some expenses and make a more generous allowance for others.

If You Need To Borrow

Naturally you dislike to think of borrowing, and there's no doubt that paying back a loan makes life difficult. However, unforeseen emergencies may arise that you will be unable to cope with in spite of careful saving. If this happens to you, consult the counselor or other person in your part of the Agency who is available to discuss financial problems. You can be sure that your talk will be on a confidential basis and will in no way influence your employment record. Don't let pride stand in your way—after all, most people have unexpected needs.

If there is a credit union in your part of the

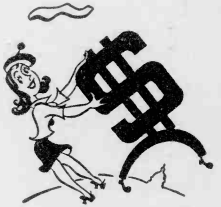
Agency, investigate the possibility of joining it and getting a loan through them. As a matter of fact, it is an excellent idea to become a member of a credit union before you need to make a loan, and you may wish to put your savings in it rather than in a bank. Credit union dividends per share of stock depend on the earnings of the credit union, and so you may receive more or less return than you would if your money were in the bank. Credit unions in the Agency loan money at lower rates of interest than can generally be secured on small loans elsewhere, usually 1 percent interest per month on the unpaid balance of the loan.

Of course, the use of a credit union does not have to be limited to sudden emergencies. If a sizeable expenditure for something like school courses or large items of clothing is necessary before your savings have had a chance to accumulate, the credit union can also be used judiciously for such a purpose.

Many parts of the Agency have emergency loan funds which loan money at no interest in cases of serious emergency when no other funds are available.

If neither of the above-named resources is available to you, the counselor will discuss other possibilities with you.

A Last Word



We hope that this booklet will help you to work out a spending plan that is custom-tailored to fit you to a T. You will undoubtedly hit a snag occasionally, but don't be a "softie" and throw the whole thing away the first time this happens. Stick to it! It will help make your whole life seem better organized. And don't forget that the skill you achieve as a bachelor girl in handling money will be a tremendous asset in making a success of marriage. Do we need to say more?

SUGGESTED BUDGETS FOR GOVERNMENT GIRLS EARNING FROM $1,560.00 TO $1,970.88 A YEAR

	Pay period	Year	Pay period	Year	Pay period	Year
Income	$65. 00	$1, 560. 00	$73. 00	$1, 752. 00	$82. 12	$1, 970. 88
Automatic Deductions:						
Retirement	2. 63	63. 12	3. 00	72. 00	3. 38	81. 12
Withholding Tax	8. 70	208. 80	10. 30	241. 20	12. 40	297. 60
Net Salary	53. 67	1, 288. 08	59. 70	1, 438. 80	66. 34	1, 592. 16

Budget Range:

Item	*Pay period*		*Year*	
Savings—War Bonds (10% if possible)	$2. 50 to	$10. 00	$60. 00 to	$240. 00
Room and meals	27. 50 to	38. 00	660. 00 to	912. 00
Transportation	2. 75 to	2. 75	66. 00 to	66. 00
Clothing	6. 00 to	12. 00	144. 00 to	288. 00
Clothing upkeep	1. 25 to	1. 75	30. 00 to	42. 00
Personal	. 75 to	2. 50	18. 00 to	60. 00
Medical and dental	1. 75 to	2. 25	42. 00 to	54. 00
Recreation	1. 25 to	1. 75	30. 00 to	42. 00
Vacation	1. 00 to	2. 50	24. 00 to	60. 00
Miscellaneous	2. 50 to	3. 00	60. 00 to	72. 00
	47. 25	76. 50	1, 134. 00	1, 836. 00

YOUR PERSONAL EXPENSE ACCOUNT PER PAY PERIOD

Date	Rent	Food	Transportation	Clothing	Clothing upkeep	Personal	Medical and dental	Recreation	Vacation	Miscellaneous
Totals										

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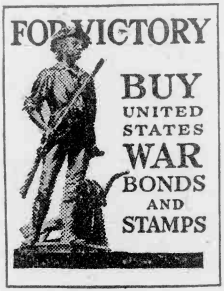

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